

Message Text

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ORIGIN TRSE-00

INFO OCT-01 NEA-11 ISO-00 EB-11 H-03 IO-14 OMB-01 AID-20

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DRAFTED BY TREASURY:JFINKEL:SL

APPROVED BY EB/IFD/ODF - MR. BENEDICK

NEA/IRN - MR. MIKLOS

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FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

UNCLAS STATE 019865

E.O. 11652: N/A

TAGS: IBRD, IR

SUBJECT: IBRD LENDING TO IRAN

FOR EMBASSY INFO AND AS INDICATION CONGRESSIONAL ATTITUDES
TOWARD INTERNATIONAL LENDING TO OIL-PRODUCING COUNTRIES,
FOLLOWING IS TEXT OF 1/21/74 LETTER TO SECRETARY SHULTZ
FROM HENRY GONZALEZ, CHAIRMAN OF INTERNATIONAL FINANCE
SUBCOMMITTEE, HOUSE BANKING AND CURRENCY COMMITTEE
(SUBCOMMITTEE ORIGINATES ALL AUTHORIZING LEGISLATION
DEALING WITH INTERNATIONAL FINANCIAL INSTITUTIONS):
BEGIN TEXT: HONORABLE GEORGE P. SHULTZ
THE SECRETARY OF THE TREASURY
WASHINGTON, D.C.

DEAR MR. SECRETARY:

I AM ADVISED THAT THE WORLD BANK HAS UNDER ACTIVE CON-
SIDERATION A LOAN IN THE APPROXIMATE AMOUNT OF DOLS. 70
MILLION TO THE GOVERNMENT OF IRAN.

UP UNTIL RECENTLY, IRAN WAS OF COURSE ABLE TO ABSORB ITS
ENTIRE OIL REVENUES WHICH LAST YEAR AMOUNTED TO ABOUT
DOLS. 4 BILLION. HOWEVER, DURING 1974 AND SUCCEEDING
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YEARS, THESE REVENUES SHOULD REACH ABOUT DOLS. 10 BILLION,

WHICH THE COUNTRY OBVIOUSLY CANNOT ABSORB. CLEARLY, IRAN
IS NO DEVELOPING COUNTRY, AT LEAST IN TERMS OF CAPITAL

RESOURCES, AND I AM UNABLE TO UNDERSTAND HOW THE WORLD
BANK COULD CONSIDER TRANSFERRING EXTREMELY SCARCE CAPITAL
RESOURCES TO A COUNTRY WHICH, AS IN THIS CASE, CLEARLY
NEEDS NO NEW RESOURCES EXCEPT POSSIBLE TECHNICAL
ASSISTANCE.

MY FEELING IS THAT IF THIS LOAN SHOULD BE APPROVED,
KNOWLEDGE OF IT WOULD SEVERELY HAMPER CHANCES OF PASSAGE
OF NEW LEGISLATION FOR IDA, EVEN THOUGH THIS IS UNRELATED
TO THE PROPOSED ORDINARY CAPITAL LOAN TO IRAN.

PLEASE PROVIDE ME, AT YOUR EARLIEST CONVENIENCE, COMPLETE
INFORMATION ON THIS LOAN.

WITH BEST WISHES.

SINCERELY,

HENRY B. GONZALEZ, M.C.
CHAIRMAN END TEXT. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Control Number: n/a
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Draft Date: 30 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE019865
Document Source: CORE
Document Unique ID: 00
Drafter: JFINKEL:SL
Enclosure: n/a
Executive Order: N/A
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From: STATE
Handling Restrictions: n/a
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